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by Tom Braden

THE BIRTH OF THE CIA

CENTRAL INTELLIGENCE AGENCY

When and how it got the green light

The history of successful ideas is sometimes marked by a trade-off. In his old age General William J. Donovan, founder of the United States intelligence service, may have reflected on the phenomenon. The trade-off goes something like this:

A man has an idea and proceeds to push it. Naturally, his idea is opposed by those to whom its acceptance will mean loss of power, stability, and comfort. Often the man is termed "power-mad"; he may even be hated. But suppose the idea is a very good one. There comes a point in the battle when to those who must decide the issue, a compromise occurs. Why not accept the idea and bar the man who had it from having anything to do with carrying it out?

Some such trade-off—trade-offs are never explicitly stated—hit Donovan very hard on a day in January, 1953, when Allen W. Dulles became Director of the Central Intelligence Agency, an institution that had sprung largely out of Donovan's brain.

"Ah," the old soldier sighed when he heard the news, "a very good man, Allen. I chose him personally to be chief of OSS in Switzerland. But Allen is young and inexperienced. He's never had a large command. He ought to be number two."

The emissary from Dulles to whom Donovan made this observation was amused at hearing the sixty-year-old Dulles called "young and inexperienced." But when Donovan's remark was reported back to Dulles, he was understanding. "Poor Bill. He's never wanted anything so much in his life. And you know, if they'd bought Bill's idea in the first place, we'd be a lot better off than we are now."

Dulles was trying to be generous, but he was not exaggerating. Anyone who looks at the early history of the United States intelligence effort must be struck by the time wasted between Donovan and Dulles, or, to put it more precisely, between 1945, when Joseph Stalin opened his cold-war offensive in Poland, and 1950, when the Soviet Union attacked through its satellite in Korea.

During that period Russia erected its iron curtain; threatened Turkey, the Balkans, West Germany, and the Middle East; fought proposals for a United Nations army, international control of atomic energy, and the Marshall Plan; and began its enormously effective hate-America campaign in western Europe. While all this was going on, what might have been a United States counterforce languished in the hands of ineffectual men, subalterns to chieftains who

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were carving out empires in a battle over the unification of the armed services.

It was a time when a huge defense establishment was being dismantled at a rate as alarming to the country's leaders as it was popular with the country's people, and when Americans, tired of war and trusting in peace, wanted very much to believe that the leaders of the Soviet Union felt the same way. "Wild Bill" Donovan, with his talk of spies and saboteurs, seemed an anachronism.

The name "Wild Bill" was a generational heritage—a pitcher for the Detroit Tigers named William Donovan walked six and hit one in the first three innings of the deciding game of the World Series of 1909. But it was not an inaccurate sobriquet. Donovan was a fearless soldier and a first-rate lawyer. He had a bland manner, enormous round blue eyes, and a habit of walking on the balls of his feet, like a halfback who might suddenly swerve.

But he was also a romantic, and like all romantics he could be from time to time both endearing and irritating. For example, driving across town in New York City shortly after V-J Day, Donovan suddenly ordered his chauffeur to halt, darted from the car and disappeared into the crowd. Reappearing a few moments later, with a boyish grin, he explained to a companion, "I just remembered I ought to pay my respects to Father Duffy. I haven't talked to him for a long while."

Father Duffy had been regimental chaplain of Donovan's Fighting 69th during World War I and had been on the field when Donovan won the Congressional Medal of Honor. But he had, at this time, been dead for many years. Only a man of endearing romanticism would have thought to confer with his statue in Times Square.

On the other hand, Donovan's romanticism led him to deeds which seemed arrogant. He had himself transported to World War II beaches during landings for no other reason than that he wanted to be there; he went over other peoples' heads; he ignored channels and organization charts. And he would try anything. The more insane the idea, the more likely it seemed that Donovan would wave his hand and say, "Let's give it a try."

To the Army's intelligence branch, G-2, to the Office of Naval Intelligence, to J. Edgar Hoover's FBI, Donovan was anathema. The bureaucracies of these organizations could not abide the thought that this freewheeling, independent, little round man who had built the Office of Strategic Services, the enormous wartime spy agency, who reported directly to his friend Franklin D. Roosevelt, and whom, throughout the war, the bureaucrats had unsuccessfully endeavored to confine would survive to threaten their responsibilities and prerogatives now that peace had returned and things were going to get back to normal. "A mad man," was the way Major General George V. Strong, chief of the Army's G-2, referred to Donovan privately. Undersecretary of State Dean Acheson expressed the general view: "Donovan would have surprised no one if . . . he left one morning and returned the previous afternoon."

The bureaucracy succeeded in stopping Donovan and in killing his beloved OSS. But history played Donovan's enemies an enormous trick. The intelligence service they created to replace OSS eventually became the Central Intelligence Agency; CIA eventually became almost as powerful as Donovan had envisioned that his OSS in peacetime would be; finally, when Allen Dulles was named Director of CIA, American secret intelligence once again had at its helm a man who had learned his trade in the OSS and would not be long in reverting to the lessons he had learned.

Was it a good thing or a bad thing that Donovan's enemies won their battle and lost their war? The question is still being argued. Is it a good thing or a bad thing that the United States owns a huge secret intelligence agency with a powerful subversive arm? It is not my intent to argue but only to set down what happened. The story begins with the defeat of Donovan.

At five o'clock on the morning of February 9, 1945, the 62-year-old Donovan picked up a copy of the Washington *Times-Herald* on his Georgetown doorstep. There on the front page was his name in headlines and under that the by-line, Walter J. Trohan. The story must have burst upon Donovan like one of those artillery barrages Father Duffy had described after the second Battle of the Marne: "No crescendo about it; just a sudden crash, like an avalanche."

"Creation of an all powerful intelligence service to spy on the postwar world and to pry into the lives of citizens at home is under consideration by the New Deal," it began. "*The Washington Times-Herald* and the *Chicago Tribune* yesterday secured exclusively a copy of a highly confidential

to conduct "subversive operations abroad"

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General William J. ("Wild Bill") Donovan, head of the CIA's prototype, the fabled OSS, after a conference with F.D.R. in 1945
WIDE WORLD

and secret memorandum from General [William J.] Donovan to President Roosevelt . . . also obtained was a copy of an equally secret suggested draft of an order setting up the general intelligence service, which would supersede all existing Federal police and intelligence units, including Army G-2, Navy ONI, the Federal Bureau of Investigation, the Internal Revenue Agency. . . ."

Trohan went on to imply that the new unit would undermine J. Edgar Hoover. It would have secret funds for spy work "along the lines of bribery and luxury living described in the novels of E. Phillips Oppenheim. . . ."

The article, in short, was more than a leak. It was a hatchet job. Donovan finished reading it and called his executive officer, Colonel Ole Doering. Doering still remembers the soft voice on the telephone: "Ole, I want you to find out who did this and report to me at nine."

Doering dressed hurriedly and set about tracing the distribution of the five typed copies of Donovan's plan for peacetime intelligence. "At 9, I was ready," he recalls. "I told the General that J. Edgar Hoover had personally handed the memorandum to Trohan. Donovan never said a word."

Roosevelt did say a word. The President called that afternoon to say that he wanted the whole thing shoved under the rug for as long as the shock waves reverberated. Seven weeks later, Roosevelt judged that the heat was off and released a letter to Donovan giving the plan his general approval and asking Donovan to get comments from members of the Cabinet and other government officials. It was too late. A week later, Roosevelt was dead.

It is important to note the outlines of Donovan's plan for a peacetime intelligence agency because it was the starting point from which the country departed and to which it eventually returned. The chief features were as follows:

First, the director of the new agency would report only to the President. Meaning: power.

Second, the new agency would "collect" intelligence. Meaning: it would have its own sources of information, including spies.

Third, the agency's director would make "final evaluations of intelligence within the government," final "synthesis," and final "dissemination." Meaning: Army and Navy Intelligence and the State Department could continue to perform the work "required by such agencies in the actual performance of their functions and duties," but there would be no doubt as to who was to be boss.

Fourth, the new agency was to have "an independent budget." Meaning: again, power.

Fifth, the agency was to have "no police or law enforcement functions, either at home or abroad." Meaning: Donovan intended no such threat to J. Edgar Hoover as the newspaper revelation implied.

Sixth, the new peacetime agency would conduct "sub-

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versive operations abroad." Meaning: just that.

In summary, it was to be the wartime OSS taken from under the jealous eye of the Joint Chiefs of Staff, and given the independent power to issue orders to G-2, ONI, the intelligence branch of the Department of State—and to the extent to which J. Edgar Hoover was collecting foreign intelligence in South America, to the FBI.

Trohan had not been far wrong in calling it "all-powerful," though there was no basis in Donovan's memorandum for the suggestion that it would conduct espionage at home, supersede the FBI, or enable its employees to live luxuriously.

Still, it was pretty strong stuff. Would Roosevelt have accepted the plan if he had lived? We know only that Donovan thought so. He was in Paris the day Roosevelt died. One of his deputies, Colonel Ned Buxton, talked to him that evening. "What will happen now to OSS?" Buxton asked. "I'm afraid it's the end," was Donovan's reply.

He was, however, to make one more try. Shortly after V-J Day, Naval Commander John Shaheen walked into the general's office to bid him good-by. "You're not through yet," said Donovan, and he ordered Shaheen to stay in uniform for sixty more days. Shaheen sat down in mild shock while Donovan related a story. There had been that sensationalized prewar investigation of the munitions industry, conducted by Senator Gerald Nye of North Dakota, in which Donovan had acted as counsel for the Du Pont Company, one of the firms most heavily attacked. "You remember that, John? You know, John, I had to argue, not just the merits but against the whole propaganda campaign and that campaign was Gerald Nye's *Merchants of Death*. I tell you John, I learned something. Now let's see if you can do as well for OSS as Nye did for the isolationists."

Shaheen rose. "Could your secretary get me a list of writers in OSS who happen to be in Washington?"

For weeks, a series of sensational stories dominated the newspapers and magazines hailing the exploits of OSS's secret war. As Shaheen and his assistants scoured the files, had the facts declassified, fed them to "writers in OSS who happened to be in Washington," and as they fed them in turn to eager journalists, OSS parachutists returning from their hitherto secret war and expecting to hear the usual jibes about "Oh So Social" suddenly found themselves figures of glamor. But the new President, Harry Truman, was annoyed. On September 20, 1945, the publicity campaign was cut short. Truman signed Executive Order 9621, "Termination of the Office of Strategic Services and Disposition of Its Functions."

While the pro-OSS publicity was at its height, Donovan had written a letter announcing his wish to return to private life. "Therefore, in considering the disposition to be made of the assets created by OSS, I speak as a private citizen concerned only with the security of my country."

Thirty years later, it seems odd that this last plea for his old outfit should have been addressed not to the President of the United States but to Harold B. Smith, Director of the Bureau of the Budget. But it was, at the time, not at all an odd thing to do.

As the war ended and the mind of Harry Truman turned to problems of demobilization and reorganization for peace, Harold B. Smith became for a few weeks a very powerful man. He was the one man to whom Truman could turn who knew where everything was and where it had been before. Moreover, he had a tidy housekeeper's view about what to do with it now. OSS appalled the neat-minded Smith. Here was an agency which was part research, part spies, part propaganda, part paratroopers, part saboteurs and forgers, all mixed up together in such

Allen W. Dulles, first civilian head of the CIA. "A very good man," remarked Donovan, "... but... he ought to be number two."
GEORGE TAMES, *New York Times* PICTURES

fashion that it was impossible to reduce it to a chart. Smith came at once to a solution:

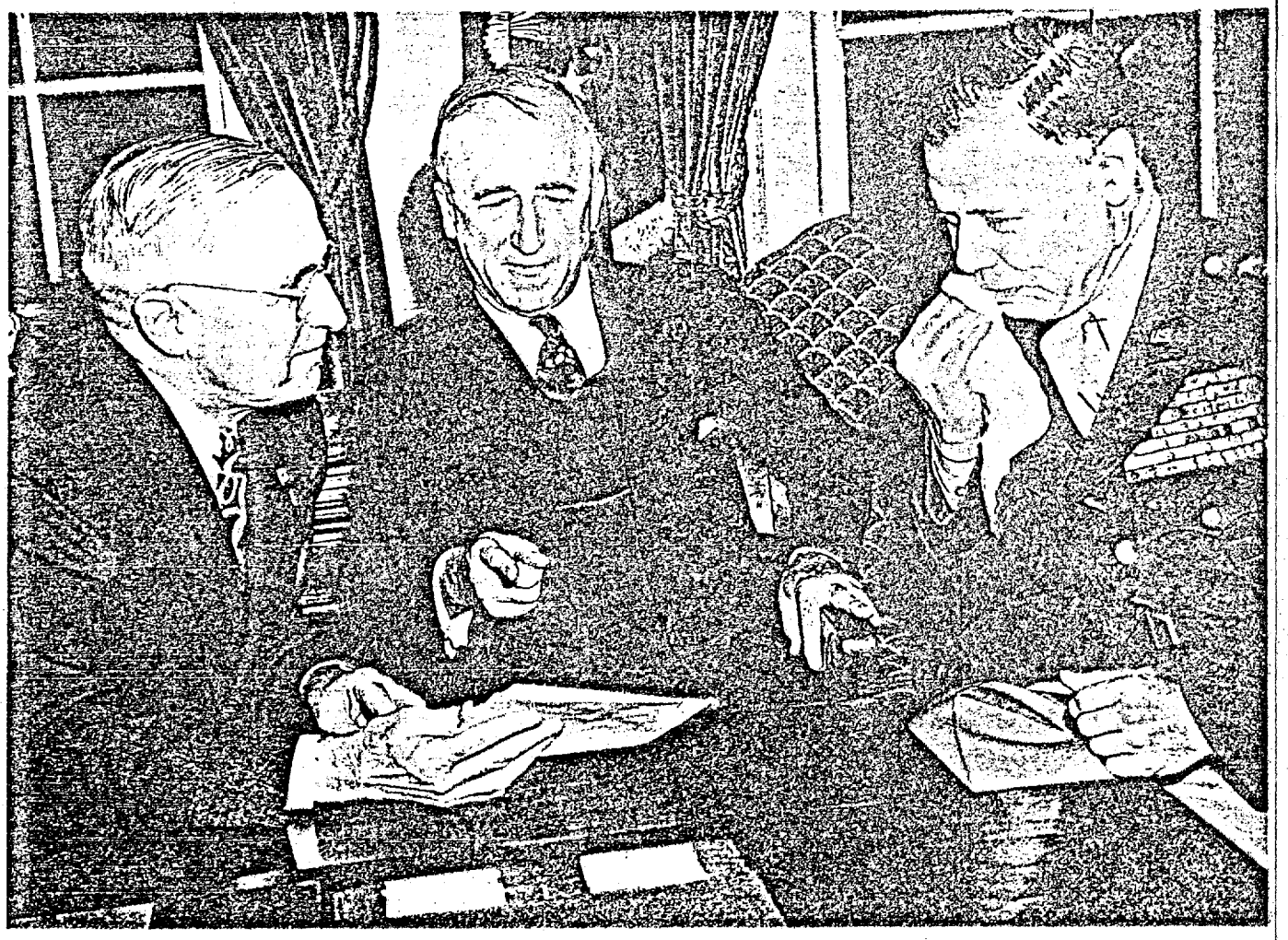
Put the research professors and analysts under the State Department, he advised Truman; put the spies and propagandists and forgers under the War Department and let the paratroopers and saboteurs go home. For the next four

months, the Smith formula of separated functions of State and War became the United States intelligence establishment. Donovan, when he heard about the new formula, called it "absurd."

In the State Department, Secretary James Byrnes, acting upon the President's written instructions to "take the lead in organizing peacetime intelligence," turned the action over to Dean Acheson, who brought in Colonel Alfred McCormack, an able lawyer from New York who had served G-2 during the war. Valiantly, McCormack tried to organize a research and analytical intelligence branch in State. Opposition came not only from G-2 and ONI but from within the State Department itself. Desk officers of the Foreign Service, certain that the idea was an assault upon their authority and an insult to their expertise, reacted vigorously. In a forecast of an era to come, they succeeded in sinking the effort in a debate about whether one of the OSS men who had been brought into the department was or was not a Communist.

In his memoirs, Dean Acheson described the rout as the story of how the Department of State "muffed the intelligence role," and placed the blame on Byrnes, for whom, he said, "ideas of organization were not congenial." Eventually, McCormack resigned, and the unit he had organized was split into seventeen committees. Gradually, it wasted away.

In the War Department, the Smith formula worked a little better. There, Colonel William Quinn, a tough, open-faced man who radiated a bustling confidence—Allen Dulles called it the Donovan spirit—kept intact the spies and forgers, grouped together now under a new name, the Strategic Services Unit, or SSU. Quinn was a rarity among regular army officers because he had worked closely with OSS during the war and had admired the job it had done for him. Quinn had been G-2 of the Seventh Army during the invasion of southern France and had made good use of the OSS agents (mostly German prisoners of war) whom OSS had infiltrated behind the German lines



President Harry Truman talks over cold-war problems in 1946 with Secretary of State James Byrnes and Lieutenant General Walter Bedell Smith. Smith had recently been named U.S. Ambassador to Russia; in 1950 he became Dulles' predecessor as CIA Director. U.P.I.

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to pick up order of battle information.

"Preserve the assets and eliminate the liabilities," Assistant Secretary of War Howard C. Petersen had told Quinn when Quinn took over SSU from retiring Brigadier General John Magruder; and among the assets Quinn counted intelligence networks in eastern Europe, Austria, the Balkans, and China. To preserve these networks, he had to hold on to the men who ran them.

There was James Angleton; there was Hugh Cunningham; there was Frank Wisner; there was Richard Helms; there was Harry Rossitzke. These were the men who over the next fifteen years were to conceive and manage the major U.S. intelligence operations against the Soviet Union. Wisner, who as CIA's Deputy Director of Plans was destined to become their chief, was the only one Quinn could not keep happy. He quit in a huff—to return some years later—because Quinn on a particular occasion refused to provide him with an additional two hundred bicycles for the agents Wisner had hired to peddle into East Germany, take a look at the Russian occupation, and report back what they learned.

Quinn had other problems. G-2, and newspaper columnists Joseph Alsop and Harold Ickes, the former Interior Secretary, suggested that Quinn's unit harbored Communists. But Quinn quickly established good relations with J. Edgar Hoover, and Hoover, having nothing to fear now from Donovan, came forward to say that he had checked the employees of SSU and found them "clean."

Whenever Quinn felt sorely threatened, he would call David Bruce, Donovan's wartime deputy for Europe, and Bruce would invite members of the old OSS hierarchy to dinner at his Washington home. Charles Cheston would arrive from Philadelphia, Donovan and Russell Forgan from New York, and they would discuss strategy for keeping the unit intact. "Without Quinn," Allen Dulles would later remark, "our profession would have lost many of its pros."

While McCormack was losing in the State Department and Quinn was hanging on in the War Department, Truman was complaining to Admiral Leahy, his chief of staff, that too many intelligence reports from State, ONI, and G-2 were cluttering his desk, and Leahy was putting pressure on Byrnes to do something about it. It was Byrnes's failure to do something about it that led to the next move around the circle.

Even as he was ordering the dissolution of OSS in 1945, President Truman was telling intimates that we needed a peacetime intelligence agency. "I was in his office one afternoon right after the war ended—I believe it was in August," his former naval aide, Clark Clifford, recalls, "when he began to talk to me about Joe Grew's cables." (Joseph Grew had been U.S. Ambassador to Japan at the time of Pearl Harbor.) "You go back and read Joe Grew," Truman said to Clifford, "and then you come in here and tell me how anybody could have read those cables and not known there was an attack coming." He proceeded to list what he considered to have been other warnings of Japanese intent. Clifford recalls that Truman knew a lot about the amount of scrap iron the Japanese were buying before Pearl Harbor. The new President concluded his lecture, according to Clifford, as follows: "If we had had some central repository for information, and somebody to look at it and fit all the pieces together, there never would have been a Pearl Harbor."

Within a few weeks Truman decided that under the plan suggested by his budget director, Harold Smith, nobody was fitting all the pieces together. His complaint to Admiral Leahy was reflected in the note Secretary of the Navy James Forrestal placed in his diary in October, 1945:

"Mr. Byrnes next raised the question of a central intelligence agency . . . responsible to a Council of Defense which would consist of the Secretaries of State, War and Navy. . . . All of the secretaries (Robert Patterson, Secretary of War, Byrnes, and Forrestal) agreed with the principle of the proposal, that any central intelligence agency should report to the three Secretaries rather than directly to the President."

The Byrnes proposal was exactly what Forrestal wanted to hear, so much so, that one suspects he arranged with Leahy to feed the idea to Byrnes in such a way that Byrnes might project it as his own. Forrestal was then engaged in a fierce struggle with the Army over a proposal to merge the two services. Desperately, he was casting about for ways to avoid it.

As a basis for argument, he had hit upon the idea that Winston Churchill's war cabinet was the way to run things: "An inner council of the most important and trusted advisers," he put it, "to care for problems of common concern." In addition, he had asked his close friend and former partner, Ferdinand Eberstadt, to make "a thorough study of postwar organization of the military services." Not surprisingly, Eberstadt echoed the idea of coordination rather than merger. The second chapter of Eberstadt's report was entitled, simply, "Intelligence." It came out strongly for a central intelligence agency which would not attempt to direct the services of the Army and Navy but which would deal with "problems of common concern," would "coordinate" and "synthesize."

"How often," Dean Acheson later wrote, "those same dismal words . . . issued from the White House during the war in order to 'clarify' various powers, functions and responsibilities . . . a good many of us had cut our teeth and throats with this sort of nonsense. We had learned that no committee can govern and no man can administer without his own people, money and authority."

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Three who watched over the gestation of the CIA: top to bottom, Rear Admiral Sidney Souers, Lieutenant General Hoyt Vandenberg, and Rear Admiral Roscoe Hillenkoetter

Acheson had learned. But Forrestal had not. And so, on January 22, 1946, Truman, forsaking the Smith plan, directed, by executive letter to Byrnes, the establishment of a new National Intelligence Authority. It would consist of the Secretaries of State, War, and the Navy, and would possess, as its operating arm, something called the Central Intelligence Group. The man on top would be Director of Central Intelligence. He would have no money of his own, no people of his own, and no authority except the high-sounding title.

As the first Director of Central Intelligence Truman chose Rear Admiral Sidney Souers, who in private life was a St. Louis businessman. I recall an interview with Admiral Souers shortly after he took office: "What do you want to do?" I asked the new appointee. The admiral looked up from behind Donovan's old desk and chuckled: "I want to go home," he replied.

Contrary to assumptions at the time, Souers was not a Truman crony, though he later became one. Forrestal had recommended him; he had promised to stay only six months, and at the end of that time he left. But even within that short period Souers was to find that his mandate "to correlate, evaluate and plan for the coordination of . . ." was a mushy task. Just before he left, he asked for a budget of his own to be provided by the three departments he was trying to serve. He was turned down.

In June, 1946, the handsome Lieutenant General Hoyt Vandenberg, Air Force ace and nephew of the most powerful Republican in the Senate, Arthur S. Vandenberg of Michigan, succeeded to Souers' job. Vandenberg wanted very much to be the first Chief of Staff of the Air Force and was not inclined to rock any boats on the way to the job. Nevertheless, his title, his looks, and his relationship to the senator, as well as his high abilities, gave him authority Souers had lacked. Despite opposition from Byrnes and Patterson, he succeeded in getting a specific allocation of money for the CIG, in replacing the FBI as the intelligence collection agency in South America, and in winning the right to conduct research and analysis independent of the military services. Most important, Vandenberg took over Quinn's SSU, thus acquiring a clandestine collection capability and, incidentally, sending Quinn off to the Army War College for a leg up on what would be a highly successful army career.

But Vandenberg like Souers wanted to leave quickly, and when in May, 1947, he won the top Air Force job, he turned over CIG to a lackluster leader, Rear Admiral Roscoe H. Hillenkoetter.

Hillenkoetter never seemed to be quite sure whether he was more interested in foreign intelligence or domestic communism. He liked to pore over long lists of people in and out of government whom he suspected of being left-wing, and then issue memoranda forbidding CIG employees to "have any communication with the Following." Nevertheless, he holds the honor of being the only American ever to head both the Central Intelligence Group and the Central Intelligence Agency, and when he left in 1950 to assume a sea command, the groundwork for what was to become an enormous intelligence and covert-action bureaucracy had been laid.

Still, Harry Truman could not have been pleased by the change he had set in motion. Separate intelligence reports from G-2, ONI, and the State Department continued to flow across his desk. The new CIG merely added one more. But the military intelligence services had not wanted the CIG and had indeed fought hard against it. Only the agreement between Patterson and Forrestal had carried the day. Perhaps Truman thought that real change would come when the armed services unification bill was finally passed, and a more powerful intelligence agency could take its place in the new organization that would emerge.

"An intelligence agency was the tail," Clark Clifford says

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of the establishment of CIA. "The entire defense establishment spent 1946 and part of 1947 arguing about the National Security Act. How should we merge the Army and the Navy and establish the Air Force and what should be the powers of the Secretary of Defense, and what should be the mission and the authority of each service? That was the dog. Nobody paid much attention to the intelligence part of the bill."

Indeed, the drafters of the unification act planned it that way. The CIG legislative counsel, Walter Pforzheimer, went to the White House one day with two copies of draft legislation. The first authorized a CIA. The second authorized covert and unvouchered funds for the CIA. In a meeting with Admiral Forrest Sherman, who was handling unification legislation for the Navy, General Lorris Norstadt, who was doing the same for the Army, and White House counsel Charles Murphy, Pforzheimer was told to forget about the second draft. "They thought," he recalls, "that the secret funding would open up a can of worms, and delay unification. We could come up with the housekeeping provisions later on."

And so the CIA was born. "A small but elite corps of men with a passion for anonymity and a willingness to stick to the job." That was Allen Dulles' description to Congress of what he thought the agency should be. General of the Army Dwight D. Eisenhower also testified, and some thought that his remarks pointed to Dulles.

"One of the difficulties," said Eisenhower, doubtless thinking of the military attachés of G-2 for whom he had more than once expressed contempt, "is getting a man who will understand intelligence. He must show a bent for it and be trained all the way up. If I could get the civilian I wanted, and knew he would stay for ten years, I would be content, myself."

There was almost no opposition to the intelligence portion of the act. Congressman Clare Hoffman of Michigan wanted an amendment to bar the new agency from "the collection of intelligence." Hoffman represented G-2's last stand. Congressman Walter H. Judd of Minnesota introduced an amendment that would "prevent this agency from being allowed to go in and inspect J. Edgar Hoover's activities and work." Judd represented the FBI's last stand. Neither of the amendments was adopted.

When it was all over—the date was July 26, 1947—the nation's newspapers headlined the fact that Congress had passed the National Security Act. The armed services were to be "unified" under a new Department of Defense. Far down in its account of the historic event, the *New York Times* reported that "there will also be a Central Intelligence Agency." Donovan read the account and remarked to a friend, "I see they finally made intelligence respectable."

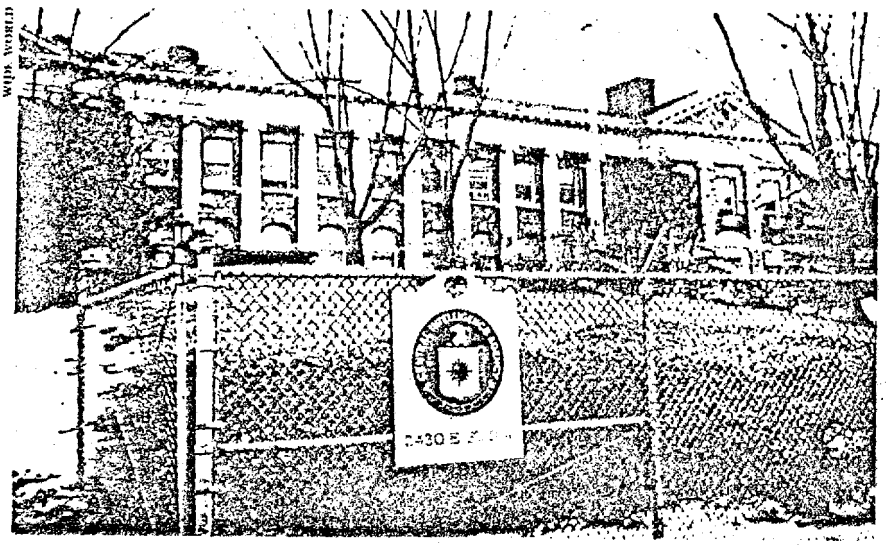
The National Security Act of 1947 gave the Central Intelligence Agency power to hire its own people and to have its own budget, though it was not yet to be a secret, unvouchered budget. The legislation made the new agency responsible to a new National Security Council (Forrestal's vehicle for handling problems of "common concern"). Apart from this change, CIA was a continuation of CIG, its powers and functions recited in almost the same language in which President Truman had enumerated the powers and functions of CIG in the letter he had written to Byrnes back in 1946.

Donovan, who had not been called to testify on the act, noted this fact. "Those fellows don't know what they're doing," he remarked, "because they're not sure what they can do." It was not quite an accurate statement. "Those fellows" knew they could spy. They had been spying for CIG under the authority "to perform for the benefit of existing agencies . . . services of common concern." This language from Truman's 1946 directive was now incorporated into law, and the legislative history makes it clear that Congress knew what the language meant.

On the other hand, the question of whether Congress authorized what Donovan had once called "subversive operations abroad" is less clear. The weight of evidence suggests that it did not. But the legislation did contain the following clause, also carried over from the Truman directive that had set up CIG: ". . . perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

This was Donovan language—straight out of his 1945 memorandum to Roosevelt, though slightly amended by Clark Clifford, who had inserted after the word "Intelligence" the words "affecting the national security" and had

Secretary of Defense James Forrestal, 1947
U.P.I.



. . . and how it grew: At left is one of the modest buildings in Washington, D.C., originally occupied by the CIA after its start in 1947. In 1961 the organization, enormously expanded, moved to the massive complex below, photographed from the air at Langley, Virginia.

CENTRAL INTELLIGENCE AGENCY

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thought of it at the time as "a restricting clause." But Donovan had never intended "such other functions and duties" as any more than a catchall. It was later—about a year later—before it occurred to anyone that "such other functions and duties" might be construed to mean "subversive operations abroad."

One day early in 1948, Admiral Hillenkoetter, who was still in charge, called CIA's general counsel, Lawrence Houston, into his office and asked him a question. Could CIA spend money to help defeat the Communist Party in the upcoming Italian elections? Houston remembers that Hillenkoetter said he had been talking to James Forrestal, the new Secretary of Defense. "I've looked all over the government and I can't find anybody who can do it," Forrestal had said to him. "Can you fellows do it?"

Houston told Hillenkoetter he doubted the new agency had that authority. Then he went back to his office, got out the legislation, and reread it. There it was: "such other functions and duties . . . ." He thought about it, and decided that it did not constitute congressional authorization to spend money to influence an election in a foreign country. He informed Hillenkoetter that this was his opinion.

But the point had been raised, and now it became an arguable one. Forrestal and Hillenkoetter disagreed with Houston. So did Harry Truman. The CIA decided that it would conduct the Italian operation; and it was a turning point. Suddenly, down the road—with presidential approval—the lights turned green.

On a late winter's day in 1954, United States Ambassador to Thailand William J. Donovan paid his last official visit to the CIA. By that time the agency was almost precisely what Donovan had envisaged that his peacetime OSS would become. If the relatively overt intelligence and analysis side of the house was not performing as Donovan had intended, if there was still duplication in reporting and overlapping with the armed services and State, the secret side of the house had more than compensated.

All over the world there were networks and agents in place, and both at home and abroad "other functions and duties" were being carried out. Paratroopers were in training; newspapers, radio stations, magazines, airlines, ships, businesses, and voluntary organizations had been bought, subsidized, penetrated, or invented as assets for the cold war. In terms of manpower alone, the agency was already bigger than Donovan's wartime OSS had been, and it was spending more money than General Donovan, an imaginative man, may have imagined.

"The sums made available to the Agency may be expended without regard to the provision of law," said the CIA Act of 1949. ". . . such expenditures to be accounted for solely on the certificate of the Director and every such certificate shall be deemed a sufficient voucher. . . ."

Admiral Hillenkoetter had presided over congressional approval of this language, and had then handed over his office to Lieutenant General Walter Bedell Smith, the irascible sergeant who had risen to become Eisenhower's chief of staff during World War II. Then had come war in Korea and good reason to do what Smith wanted to do, which was to centralize, expand, and bring in the promised civilian head who would stay for ten years.

Smith had had half his stomach removed, and the operation had not improved his temper. "Dulles," he would roar through the open door to his new deputy's office, "Dulles, Goddamnit, get in here." But there was never any doubt—except perhaps in the mind of Bill Donovan—that Smith respected Dulles and that Dulles would get his job.

It was an odd meeting that Donovan attended in 1954 on the occasion of his last call, partly ceremonial and partly business. Most of the deputies and division chiefs who had served under him were there, and the meeting was given additional emphasis by the presence of Frank Wisner, who supervised all covert operations from his office of Deputy Director of Plans, as well as of Dulles himself.

From a chair facing a semicircle of juniors, Donovan made his plea. He wanted money—quite a lot of money—in order to fight the Communist guerrillas in Thailand and he knew how the battle should be waged. "All I'm asking for is a bowl of rice in their bellies and a gun in their hands," he said, referring to a hoped-for army of counterinsurgents.

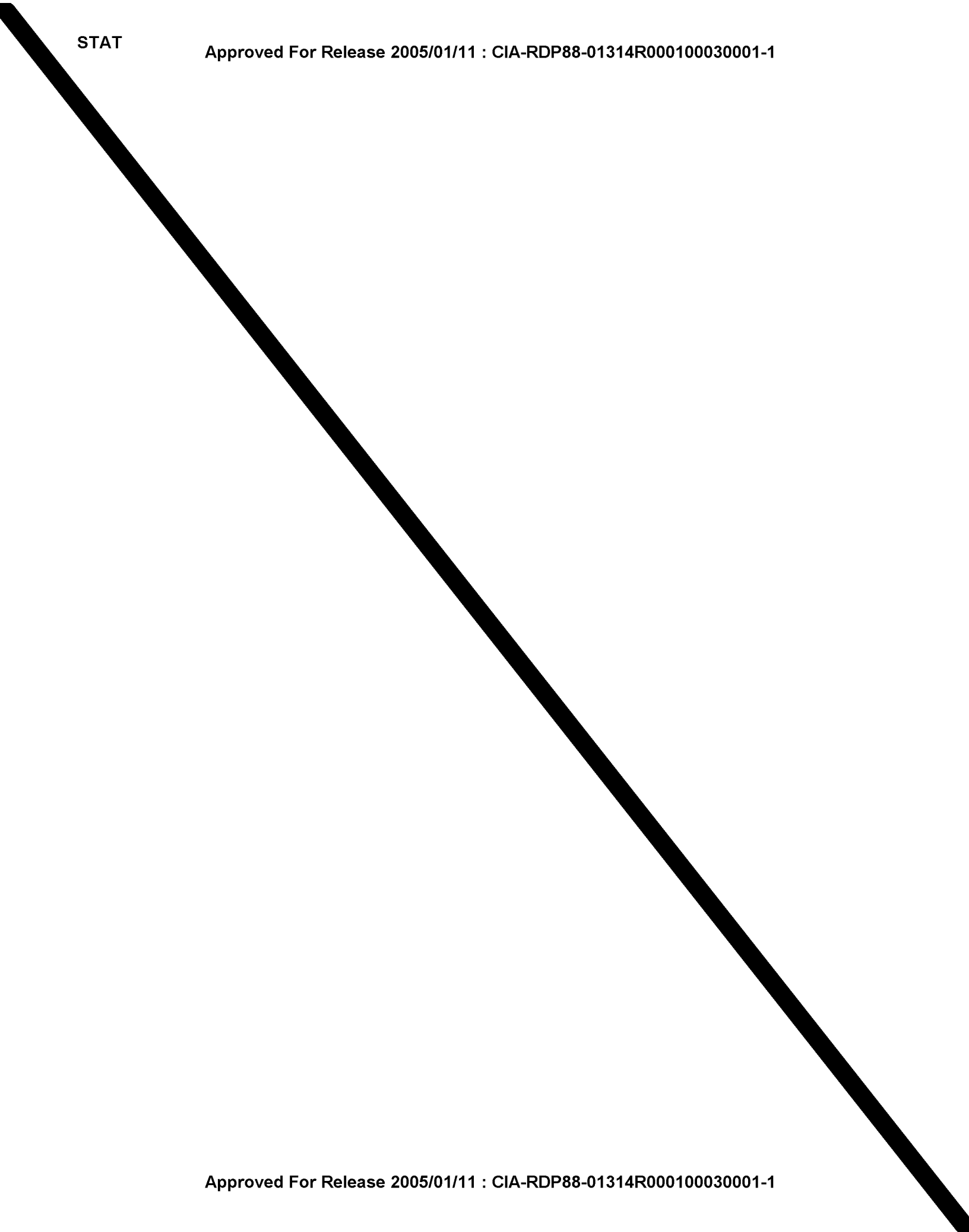
So there they all were—former subalterns risen to high responsibility, hearing once more from the Old Man and hating it mightily. The things he was talking about were already afoot, through the responsible government of Thailand. Each of those present had at least some small piece of the action and each dreaded the thought that the complicated work might be further complicated by having to deal with Wild Bill Donovan as a kind of third force.

When Donovan finished, there was polite applause. Hands were shaken all round and Dulles took the visitor off for a private chat. Years later, one of those who was present thought to inquire about the outcome. "What did you ever do," he asked Dulles, "about Bill Donovan's last request?"

Dulles smiled reflectively. "I arranged for him to have a very capable assistant," he answered, "so that I knew exactly what he was doing—and then I gave him some of what he wanted."

"You know," he added, and his eyes took on that familiar "this-is-in-confidence" look, "it wouldn't have been right for us to turn Bill down altogether."

Tom Braden was for many years the editor and publisher of the Oceanside, California, Blade Tribune, *and is now active in and around Washington, D.C. With the late Stewart Alsop he was the co-author of* Sub Rosa: The OSS and American Espionage.



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